

# RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

SEPTEMBER 30, 2002

(In Thousands)

Net change in fund balance - total governmental funds \$ (1,359,800)

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.  
(Note 9)

Land and other non-depreciable assets	(6,202)	
Buildings, equipment, and other depreciable assets	316,094	
Gain on disposal - depreciable assets	5,104	
Infrastructure additions	144,666	
Infrastructure removed from service	(252,078)	
Construction in progress	274,251	
Accumulated depreciation	<u>(133,173)</u>	348,663

Certain revenues that were reported as resources in the funds but were earned in prior fiscal years are not reported in the Statement of Activities. (62,364)

Increase in equity interest in joint ventures (Note 7) 7,461

Tax revenues that were reported as resources in the funds but were earned in prior fiscal years are not reported in the Statement of Activities. (474,840)

Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities. 18,632

Bond proceeds provide current financial resources to governmental funds by issuing debt which increases long-term bonded debt in the Statement of Net Assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term bonded debt in the Statement of Net Assets. This is the amount proceeds exceed repayments. (Note 12)

Bond proceeds and premiums received	(1,540,233)	
Repayment of bond principal	226,801	
Payment to refunded bond escrow agent	527,303	
Extinguishment of commercial paper	51,890	
Accrued interest and amortization	(17,904)	
Deferred issue costs	<u>7,800</u>	(744,344)

Certain expenditures are reported in the funds. However, they either increase or decrease long-term liabilities reported on the Statement of Net Assets and have been eliminated from the Statement of Activities.  
(Note 14)

Net pension obligation	(112,456)	
Capital lease payments	21,713	
Compensated absences payments	35,719	
Litigation settlements and payments	315,474	
Workers' compensation	(8,944)	
Other	<u>1,251</u>	252,758

Change in net assets of governmental activities \$ (2,013,834)

The accompanying notes are an integral part of the financial statements.